



Companies (Beneficial Interests) Act 1983

1983 CHAPTER 50

2 Residual interests under pension and employees' share schemes

- (1) Where shares in a company are held on trust for the purposes of a pension scheme or an employees' share scheme there shall be disregarded any residual interest which has not vested in possession, being an interest of the company or, as respects the provisions mentioned in section 1(a) and (b) above, of any subsidiary of the company.
- (2) In this section "a residual interest" means a right of the company or subsidiary in question ("the residual beneficiary") to receive any of the trust property in the event of—
 - (a) all the liabilities arising under the scheme having been satisfied or provided for; or
 - (b) the residual beneficiary ceasing to participate in the scheme; or
 - (c) the trust property at any time exceeding what is necessary for satisfying the liabilities arising or expected to arise under the scheme.
- (3) In subsection (2) above references to a right include references to a right dependent on the exercise of a discretion vested by the scheme in the trustee or any other person, and references to liabilities arising under a scheme include references to liabilities that have resulted or may result from the exercise of any such discretion.
- (4) The Schedule to this Act shall have effect as respects the operation of section 27 of the Act of 1948 and sections 36 and 37 of the Act of 1980 in cases where a residual interest vests in possession.
- (5) For the purposes of this section a residual interest vests in possession—
 - (a) in a case within paragraph (a) of subsection (2) above, on the occurrence of the event there mentioned, whether or not the amount of the property receivable pursuant to the right referred to in that subsection is then ascertained; and
 - (b) in a case within paragraph (b) or (c) of that subsection, when the residual beneficiary becomes entitled to require the trustee to transfer to that beneficiary any of the property receivable pursuant to that right.
- (6) As respects the provisions mentioned in section 1(b) above subsection (1) above shall have effect as if references to shares included references to debentures.